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STATE OF MICHIGAN
OFFICE OF FINANCIAL AND INSURANCE REGULATION
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
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COMMISSIONER

BILL ANALYSIS

BILL NUMBER: SB 969 (as introduced)
TOPIC: Chiropractic Service Expansion
SPONSOR: Senator Randy Richardville
CO-SPONSORS: None

BILL NUMBER: SB 970 (as introduced)
TOPIC: Chiropractic Service Expansion
SPONSOR: Senator Gilda Jacobs
CO-SPONSORS: None

BILL NUMBER: SB 971 (S-1)
TOPIC: Chiropractic Service Expansion
SPONSOR: Senator Roger Kahn
CO-SPONSORS: None

BILL NUMBER: SB 973 (as introduced)
TOPIC: Chiropractic Service Expansion
SPONSOR: Senator Jason Allen
CO-SPONSORS: None
COMMITTEE: Economic Development and Regulatory Reform
Analysis Done: December 7, 2009

POSITION

The Office of Financial and Insurance Regulation (OFIR) supports this legislation.

PROBLEM/BACKGROUND

Neither the Michigan Insurance Code (1956 PA 218) nor the Nonprofit Health Care Corporation Reform Act (1980 PA 350) require services performed by chiropractors to be covered to the extent these services are performed by the chiropractors on members or beneficiaries of nonprofit healthcare corporations, prudent purchaser groups, automobile insurers, or health care insurers. The benefits currently covered are limited, only providing for reimbursement for use of therapeutic sound or electricity, or both. Chiropractors would like to be able to provide more comprehensive care to their clients and to be reimbursed for those services by health care carriers.

The current definition of the practice of chiropractic under the Public Health Code states, in part:

“...that discipline within the healing arts which deals with the human nervous system and its relationship to the spinal column and its interrelationship with other body systems.

Practice of chiropractic includes the following:

- (i) Diagnosis, including spinal analysis, to determine the existence of spinal subluxations or misalignments that produce nerve interference, indicating the necessity for chiropractic care.
- (ii) A chiropractic adjustment of spinal subluxations or misalignments and related bones and tissues for the establishment of neural integrity utilizing the inherent recuperative powers of the body for restoration and maintenance of health.
- (iii) The use of analytical instruments, nutritional advice, rehabilitative exercise and adjustment apparatus regulated by rules promulgated by the board pursuant to section 16423, and the use of x-ray machines in the examination of patients for the purpose of locating spinal subluxations or misaligned vertebrae of the human spine. The practice of chiropractic does not include the performance of incisional surgical procedures, the performance of an invasive procedure requiring instrumentation, or the dispensing or prescribing of drugs or medicine.”

DESCRIPTION OF BILLS

Senate Bill 969 amends Chapter 31 of the Michigan Insurance Code (the No-Fault Act) to limit payments for chiropractic services to items included in the definition of those services found in the Public Health Code, specifically 1978 PA 368, MCL 333.16401.

Senate Bill 970 amends Section 3 of the Prudent Purchaser Act to limit payments for chiropractic services to items included in the definition of those services found in the Public Health Code, specifically 1978 PA 368, MCL 333.16401.

Senate Bill 971(S-1) amends Sections 502 and 502a of the Nonprofit Health Care Corporation Reform Act to limit payments for chiropractic services to items included in the definition of those services found in the Public Health Code, specifically 1978 PA 368, MCL 333.16401. The S-1 version clarifies the language in subsections 502(11) and 502a(15) and assures that

chiropractors meet the same standards for any provider outlined in Section 502 and 502a of the Nonprofit Health Care Reform Act.

Senate Bill 973 amends Chapters 34 (Disability Policies) and 36 (Group and Blanket Disability Policies) of the Michigan Insurance Code to limit payments for chiropractic services to items included in the definition of those services found in the Public Health Code, specifically 1978 PA 368, MCL 333.16401.

SUMMARY OF ARGUMENTS

Pro

The legislation allows consumers to access the services of chiropractors for a wider variety of treatments and to receive compensation for those services from the health insurance carriers, thereby enhancing consumer choice without having to endure greater out of pocket expenses.

Con

Since this legislation expands the definition of chiropractic services and examination methods via Senate Bill 968, health insurance carriers will incur additional costs as they pay for treatments not currently allowed. As coverage is expanded, claims increase, and consequently, premiums may have to increase to cover the additional expense.

FISCAL/ECONOMIC IMPACT

OFIR has identified the following revenue or budgetary implications in these bills:

- (a) To the Office of Financial and Insurance Regulation: None
Budgetary:
Revenue:
Comments:
- (b) To the Department of Energy, Labor & Economic Growth: None
Budgetary:
Revenue:
Comments:
- (c) To the State of Michigan: None
Budgetary:
Revenue:
Comments:

- (d) To Local Governments within this State: None
Budgetary:
Revenue:
Comments:

OTHER STATE DEPARTMENTS

None

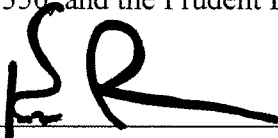
ANY OTHER PERTINENT INFORMATION

Senate Bill 968 (S-2) (on the committee's agenda but not a part of this analysis) amends the Public Health Code's definition for the practice of chiropractic to include the diagnosis and treatment of subluxations. It expands the definition of the practice of chiropractic services; defines "JOINT DYSFUNCTION" and "MUSCULOSKELETAL SYSTEM;" and expands what specific services will not be covered. It further allows for diagnosis to include other imaging technology. Senate Bill 968 (S-2) is tie-barred to SB 969, SB 970, SB 971, SB 972, and SB 973.

Similar legislation was introduced in a previous legislative session.

ADMINISTRATIVE RULES IMPACT

The proposed legislation would amend the Michigan Insurance Code, the Nonprofit Health Care Corporation Reform Act, and the Prudent Purchaser Act. OFIR has general rulemaking authority under the Insurance Code, 1956 PA 218, the Nonprofit Health Care Corporation Reform Act, 1980 PA 350, and the Prudent Purchaser Act, 1984 PA 233.



Ken Ross
Commissioner

12-7-09

Date